



June 22, 2010

Honorable Robert Jones
House of Representatives
State Capitol
P.O. Box 30014
Lansing, MI 48909-7514

Dear Chairman Jones,

My name is Jeff Palmer, I am the Owner and President of Palmer Moving & Storage, we have been a local and long distance mover operating in metropolitan Detroit since 1910. We currently employ approximately 190 and utilize a fleet of approximately 40 independent contractors.

I am writing today to request the House Commerce Committee pass SB1222.

Our revenues have dropped over 30% and profits have dropped 75% over the past 2 years and yet our Michigan State Tax under the MBT has increased significantly when compared to what we paid under the Single Business Tax. A primary reason for this is the utilization of subcontractors in handling our household relocations in excess of 100 miles.

I am a past president of the Michigan Movers Association and currently serve on its Executive Committee. I have spoken with the owners of the majority of the midsize and larger moving and storage companies in the state over the past 12 months. Without question, the profit margin and cash positions of the companies that make up this industry are in a critical state. The industry has utilized independent owner/operators as a key portion of its service delivery model in serving the families in the state of Michigan for decades. The current tax law does not appropriately allow for how our industry operates.

Moving & Storage Companies are not in the financial position to invest in equipment and transition their service providers from owner/operators to employees. The current MBT unfairly taxes our industry and is creating an enormous hardship that I am concerned will result in safety being compromised by not maintaining and/or updating the fleets.

The larger moving companies in the State of Michigan do compete with movers around the country in attempting to win contracts with the country's largest employers and with the federal government. The additional state tax we are currently paying limits our ability to compete with movers around the country who do not have to pay a similar tax in competing for the national contracts. I urge you to pass os SB 1222.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeffrey W. Palmer".

Jeffrey W. Palmer
President

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